

Message Text

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PAGE 01 NEW DE 08661 271451Z

45

ACTION XMB-07

INFO OCT-01 NEA-10 ADP-00 EB-11 IGA-02 L-03 OMB-01 COME-00

TRSE-00 OPIC-12 CIAE-00 INR-10 NSAE-00 RSC-01 RSR-01

/059 W

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R 261810Z JUL 73

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 5787

INFO AMCONSUL BOMBAY

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PASS EXIM BANK

E.O. 11652: N/A

TAGS: BEXP, IN

SUBJECT: FINANCING OF IMPORTS FOR GENERAL TIRE JOINT VENTURE

1. DELHI MANAGER OF FIRST NATIONAL CITY BANK CALLED ON COMMERCIAL OFFICER TO DISCUSS POSSIBILITY OF EXIM FINANCING FOR APPROXIMATELY DOLS 8 MILLION WORTH OF EQUIPMENT FOR TIRE PLANT GENERAL AND J.K. INDUSTRIES SETTING UP IN RAJASTHAN STATE. HE SAID FNCB NEW YORK HAD QUERIED EXIM BANK TWO WEEKS AGO CONCERNING LENDING POLICY FOR INDIA AND RECEIVED NON COMMITTAL ANSWER. WITHOUT REFERRING TO RECENT EXIM LETTER OF COMMITMENT COVERING WHITE MOTOR GENERATOR SALE, EMBOFF SUGGESTED THAT FNCB RECONTACT EXIM BANK.

2. TIRE PROJECT CALLS FOR ERECTION OF 400,000 TIRE/YR PLANT WITH TECHNICAL COLLABORATION ONLY FROM GENERAL. IT IS ONE OF THREE TIRE PLANTS WHICH GENERAL WILL SET UP IN INDIA. THE OTHER TWO ARE IN TAMIL NADU AND KERALA. THE PROJECTS HAVE HAD SMOOTH SAILING THROUGH THE GOI LICENSING PROCESS, AVOIDING DELAYS BECAUSE OF SERIOUS TIRE SHORTAGE AND BECAUSE GENERAL HOLDS NO EQUITY IN THE VENTURES. GENERAL'S PARTNER IN THE RAJASTHAN VENTURE, THE J. K. GROUP, IS SIXTH IN OVERALL
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COMPANY RANKINGS IN INDIA AND ENJOYS AN IMPECCABLE REPUTATION.

3. WE RECOMMEND THAT EXIM BANK GIVE SERIOUS CONSIDERATION
TO FINANCING THIS SALE. FNCB INTERESTED IN FINANCING 45
PERCENT BALANCE.
MOYNIHAN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IMPORTS, INVESTMENT LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 26 JUL 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973NEWDE08661
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t1973079/aaaaagqe.tel
Line Count: 66
Locator: TEXT ON-LINE
Office: ACTION XMB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 19 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19-Dec-2001 by kelleyw0>; APPROVED <09-Jan-2002 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FINANCING OF IMPORTS FOR GENERAL TIRE JOINT VENTURE
TAGS: BEXP, IN, XMB
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005